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BEFORE THE SURFACE TRANSPORTATION BOARD

IBEW, IAM, ATDA, NCFO, BLET - 2

In the Matter of:

STB Finance Docket No. 35081

**CANADIAN PACIFIC RAILROAD COMPANY, et al. - CONTROL -
DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION**

**COMMENTS OF
IBEW, IAM, ATDA, NCFO, BLET**

The International Brotherhood of Electrical Workers (IBEW), the International Association of Machinists and Aerospace Workers (IAMAW), the American Train Dispatchers Association (ATDA), the National Conference of Firemen & Oilers - SEIU (NCFO), and the Brotherhood of Locomotive Engineers and Trainmen, a Division of the Rail Conference of the International Brotherhood of Teamsters, (BLET) submit the following comments regarding the proposed transaction¹

CPR has advised the Board that if approved, its control of Dakota, Minnesota and Eastern Railroad Corporation "will not require major operational changes" and will not necessitate "line abandonments, elimination of duplicative facilities or workforce reductions." Application p 10. It describes the proposed transaction as "entirely end-to-end." Id. It says further "[i]t is not anticipated that the transaction will result in any operational changes that will adversely affect

¹ In these Comments, we treat Dakota, Minnesota and Eastern Railroad Corporation's two carriers (Dakota, Minnesota & Eastern Railroad and Iowa, Chicago & Eastern Railroad) as one - DME, except where noted otherwise.

any SOO employees...[or] any D&H employees.” Verified Statement of Cathryn Frankenberg, p. 4. The applicants anticipate that the Board will impose the *New York Dock* conditions to protect employees who may be affected. Application p. 14. CPR’s President and CEO declares that the transaction will allow DME to become “part of a Class I rail system.” Verified Statement of Fred Green, p. 4. DM&E’s President and CEO declares that the proposed transaction will result in “efficient single system rail service.” Verified Statement of Kevin Schieffer, p. 4. See also Verified Statement of Ray Foot, p. 2 (“single system rail access” “single system basis”), 4 (“single-system transportation” “efficient single system service”) 5 (“more efficient single system service”), 7 (“single system service”); Verified Statement of John Williams pp. 4, 5 (“new single system service”), Attachments B and C (“single system”).

CPR cautions, however, that greater change is possible: “[O]nce it has assumed control, CPR will continue to evaluate operations on the DM&E system to determine whether further efficiencies can be realized, for example, through utilization of economies of scale or elimination of redundant facilities.” Frankenberg Verified Statement p. 5-6.

IBEW, IAM, and NCFO Concerns

DME’s Mechanical Department employees are not represented by a union. See Frankenberg Verified Statement p. 3. The IBEW, IAM, and NCFO represent Mechanical Department employees of CPR subsidiaries Soo Line Railroad Company (“Soo Line”) and Delaware and Hudson Railway Company (“D&H”). See Frankenberg Verified Statement p. 2. The employees work under collective bargaining agreements that afford them numerous rights, privileges and benefits that DME employees do not enjoy.

In its Operating Plan, CPR states the following regarding the two companies’ respective

mechanical facilities:

DME locomotive and car fleets will continue to be maintained at the existing facilities on the DME. Applicants do not currently envision any DME facility rationalization with CPR. Applicants do expect that CPR facilities in St Paul, MN and Chicago, IL may be used as a backup to the existing DME mechanical operations for locomotive and/or car repairs that are beyond DME's current capabilities.

Operating Plan p. 33.

IBEW, IAM, and NCFO are concerned that CPR may use the transaction as a basis for transferring work and employees from represented locations on CPR to unrepresented locations on DME, thereby depriving the employees they represent of the higher wages and other rights, privileges, and benefits that they currently enjoy working under CBAs between these unions and CPR. We urge the Board to consider this possibility and to ensure that employees of CPR they represent are as well protected from any adverse effects of the transaction as are the unrepresented employees of DME

ATDA's Concerns

ATDA represents CPR train dispatchers who control rail traffic over CPR's subsidiaries Soo Line and D&H. See Frankenberg Verified Statement p. 2. They work at Soo Line's train dispatching office in Minneapolis, MN. These CPR employees work under collective bargaining agreements that afford them numerous rights, privileges and benefits that DME employees do not enjoy. DME train dispatching is handled by unrepresented train dispatchers called "Operations Supervisors" who work at Sioux Falls, SD, and Kansas City, MO. See Frankenberg Verified Statement p. 3, Attachment A p. 1, 3.

In its Operating Plan, CPR states: "Because the proposed transaction involves the common control of two end-to-end railroads, Applicants currently do not plan to make

significant changes in dispatching .. ” Id at 34. This vague language offers little education to the Board and the employees about the carriers’ future plans. CPR’s filing looks more toward the effect on DME workers and less to CPR’s own employees. We therefore urge the Board to consider the possibility that CPR will try to use authority granted in this transaction to undertake future consolidations. The Board should ensure that train dispatching employees of CPR are as well protected from potential adverse future effects of the control transaction as are employees of DME.

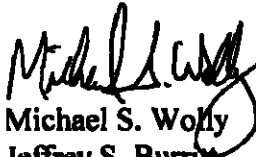
BLET’s Concerns

BLET represents all 262 of the operating craft employees of the Iowa, Chicago & Eastern Railroad Corporation (“IC&E”), a wholly-owned subsidiary of DM&E, as well as the locomotive engineers employed by CPR’s U.S. subsidiaries. See Frankenberg Verified Statement p. 3, Att A p 2-3; Verified Statement of Kevin Schieffer, p. 1. CPR’s Operating Plan describe the carriers’ intent to “eliminate two daily DME trains (one in each direction) between Owatonna, MN and Chicago, IL.” *Operating Plan* p. 27. BLET-represented IC&E train and engine service employees operate these trains from Nora Springs, IA through Dubuque, IA, to Chicago. Frankenberg Verified Statement p. 4. CPR says the elimination of these trains could adversely affect BLET-represented employees at Mason City and Dubuque, IA, but they would be protected by *New York Dock*. Frankenberg Verified Statement p. 5. The Board should hold the carriers to that representation, as well as to the application of *New York Dock* to every employee BLET represents on both the IC&E and the CPR properties.

CONCLUSION

We request that the Board address the concerns expressed by these unions in its consideration of the Application. We take no position as to whether the Application should be approved.

Respectfully submitted,

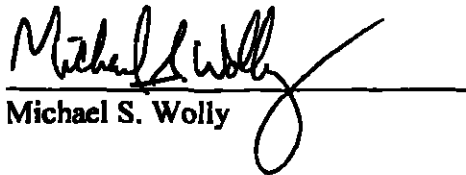


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CERTIFICATE OF SERVICE

This is to certify that a copy of the attached Comments was served upon all known parties of record by first class mail, postage prepaid, this 4th day of March 2008.


Michael S. Wolly